

Senator Still of the 48th offered the following amendment #1:

1 *Amend the substitute to SB 462 (LC 52 1122S) by replacing lines 1 through the end with the*  
2 *following:*

3 To amend Article 1 of Chapter 23 of Title 33 of the Official Code of Georgia Annotated,  
4 relating to agents, agencies, subagents, counselors, and adjusters relative to insurance  
5 licensing, so as to provide for a limited license to offer or sell portable electronics and  
6 consumer goods insurance; to revise definitions; to provide for conforming changes; to  
7 provide for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 1 of Chapter 23 of Title 33 of the Official Code of Georgia Annotated, relating to  
11 agents, agencies, subagents, counselors, and adjusters relative to insurance licensing, is  
12 amended in Code Section 33-23-1, relating to definitions, by revising paragraph (3.1) of  
13 subsection (a) of as follows:

14 "(3.1) 'Automated claims adjudication system' means a preprogrammed computer system  
15 designed for the collection, data entry, calculation, and final resolution of property  
16 insurance claims used only for portable electronics and consumer goods as defined in  
17 paragraph (1) of subsection (d) of Code Section 33-23-12 which:

18 (A) May only be utilized by a licensed independent adjuster, licensed agent, or  
19 supervised individuals operating pursuant to this paragraph;

20 (B) Shall comply with all claims payment requirements of the Georgia Insurance Code;  
21 and

22 (C) Shall be certified as compliant with this Code section by a licensed independent  
 23 adjuster that is an officer of a business entity licensed under this chapter."

24 **SECTION 2.**

25 Said article is further amended in Code Section 33-23-12, relating to limited licenses, by  
 26 revising subsections (a) and (d) as follows:

27 "(a) Except as provided in ~~subsection~~ subsections (b) and (b.1) of this Code section for  
 28 credit insurance licenses, ~~subsection (b.1) of this Code section~~, subsection (c) of this Code  
 29 section for rental companies, subsection (d) of this Code section for portable electronics  
 30 and consumer goods, subsection (e) of this Code section for self-service storage facilities,  
 31 and subsection (f) of this Code section for travel insurance, the Commissioner may provide  
 32 by rule or regulation for licenses which are limited in scope to specific lines or sublines of  
 33 insurance."

34 "(d)(1) As used in this subsection, the term:

35 (A) 'Consumer goods' means goods that are used or bought for use primarily for  
 36 personal, family, or household purposes.

37 (B) 'Customer' means a person who purchases portable electronics and consumer goods  
 38 or related services.

39 ~~(B)(C)~~ (C) 'Enrolled customer' means a customer who elects coverage under a portable  
 40 electronics and consumer goods insurance policy issued to a vendor of portable  
 41 electronics and consumer goods.

42 ~~(C)(D)~~ (D) 'Location' means any physical location in this state or any website, call center  
 43 site, or similar location directed to residents of this state.

44 ~~(D)(E)~~ (E) 'Portable electronics' means equipment that is not permanently affixed; is  
 45 capable of being moved; has electrical, digital, magnetic, wireless, optical,  
 46 electromagnetic, or similar capabilities; operates using batteries, rechargeable power  
 47 sources, or other energy sources; and may incorporate features responsive to user input

48 ~~or environmental conditions. handsets, pagers, personal digital assistants, portable~~  
49 ~~computers, automatic answering devices, cellular telephones, batteries, and other~~  
50 ~~similar devices and their accessories and includes services related to the use of such~~  
51 ~~devices, including, but not limited to, individual customer access to a wireless network.~~

52 (E)(F) 'Portable electronics and consumer goods insurance' means insurance providing  
53 coverage for the repair or replacement of portable electronics and consumer goods  
54 which may provide coverage for portable electronics and consumer goods against any  
55 one or more of the following: loss, theft, inoperability due to mechanical failure,  
56 malfunction, damage, or other similar causes of loss. Such term shall not include a  
57 service contract or extended warranty providing coverage limited to the repair,  
58 replacement, or maintenance of property in cases of operational or structural failure due  
59 to a defect in materials, workmanship, accidental damage from handling power surges,  
60 or normal wear and tear.

61 (F)(G) 'Portable electronics and consumer goods transaction' means the sale or lease  
62 of portable electronics and consumer goods by a vendor to a customer or the sale of a  
63 service related to the use of portable electronics and consumer goods by a vendor to a  
64 customer.

65 (G)(H) 'Supervising entity' means a business entity that is a licensed insurer, or  
66 insurance producer that is authorized by a licensed insurer, to supervise the  
67 administration of a portable electronics and consumer goods insurance program.

68 (H)(I) 'Vendor' means a person in the business of engaging in portable electronics and  
69 consumer goods transactions directly or indirectly.

70 (2) The Commissioner may issue to a retail vendor of portable electronics and consumer  
71 goods that has complied with the requirements of this subsection a limited license  
72 authorizing the limited licensee to offer or sell portable electronics and consumer goods  
73 insurance policies.

74 (3) A limited license issued under this subsection shall authorize any employee or  
75 authorized representative of the vendor to sell or offer coverage under a policy of portable  
76 electronics and consumer goods insurance to customers at each location where the vendor  
77 engages in portable electronics and consumer goods transactions.

78 (4) The supervising entity shall maintain a registry of vendor locations that are  
79 authorized to sell or solicit portable electronics and consumer goods insurance coverage  
80 in this state. Upon request by the Commissioner and with ten days' notice to the  
81 supervising entity, the registry shall be open to inspection and examination by the  
82 Commissioner during regular business hours of the supervising entity.

83 (5) The sale of such insurance policies shall be limited to sales in connection with the  
84 sale of or provision of service for portable electronics and consumer goods by the retail  
85 vendor.

86 (6) At every location where portable electronics and consumer goods insurance is offered  
87 to customers, brochures or other written materials shall be made available to a  
88 prospective customer which:

89 (A) State that the enrollment by the customer in a portable electronics and consumer  
90 goods insurance program is not required in order to purchase or lease portable  
91 electronics and consumer goods or related services;

92 (B) Summarize the material terms of the insurance coverage, including:

93 (i) The identity of the insurer;

94 (ii) The identity of the supervising entity;

95 (iii) The amount of any applicable deductible and how it is to be paid;

96 (iv) Benefits of the coverage; and

97 (v) Key terms and conditions of coverage such as whether portable electronics and  
98 consumer goods may be repaired or replaced with a similar make and model or with  
99 reconditioned or nonoriginal manufacturer parts or equipment;

100 (C) Summarize the process for filing a claim, including a description of how to return  
101 portable electronics and consumer goods and the maximum fee applicable in the event  
102 the customer fails to comply with any equipment return requirements; and

103 (D) State that an enrolled customer may cancel enrollment for coverage under a  
104 portable electronics and consumer goods insurance policy at any time and the person  
105 paying the premium shall receive a refund of any applicable unearned premium.

106 (7) Portable electronics and consumer goods insurance may be offered on a  
107 month-to-month or other periodic basis as a group or master commercial inland marine  
108 policy issued to a vendor of portable electronics and consumer goods for its enrolled  
109 customers. Coverage under portable electronics and consumer goods insurance shall be  
110 primary to any other insurance.

111 (8) Eligibility and underwriting standards for customers electing to enroll in coverage  
112 shall be established for each portable electronics and consumer goods insurance program.

113 (9) Notwithstanding any other provision of law, employees or authorized representatives  
114 of a vendor of portable electronics and consumer goods shall not be compensated based  
115 primarily on the number of customers enrolled for portable electronics and consumer  
116 goods insurance coverage but may receive compensation for activities under the limited  
117 license which are incidental to their overall compensation.

118 (10) The charges for portable electronics and consumer goods insurance coverage may  
119 be billed and collected by the vendor of portable electronics and consumer goods. Any  
120 charge to the enrolled customer for coverage that is not included in the cost associated  
121 with the purchase or lease of portable electronics and consumer goods or related services,  
122 shall be separately itemized on the enrolled customer's bill. If the portable electronics  
123 and consumer goods insurance coverage is included with the purchase or lease of portable  
124 electronics and consumer goods or related services, the vendor shall clearly and  
125 conspicuously disclose to the enrolled customer that the portable electronics and  
126 consumer goods insurance coverage is included with the portable electronics and

127 consumer goods or related services. Vendors billing and collecting such charges shall not  
128 be required to maintain such funds in a segregated account, provided that the vendor is  
129 authorized by the insurer to hold such funds in an alternative manner and remits such  
130 amounts to the supervising entity within 60 days of receipt. All funds received by a  
131 vendor from an enrolled customer for the sale of portable electronics and consumer goods  
132 insurance shall be considered funds held in trust by the vendor in a fiduciary capacity for  
133 the benefit of the insurer. Vendors may receive compensation for billing and collection  
134 services.

135 (11) As a prerequisite for issuance of a limited license under this subsection, there shall  
136 be filed with the Commissioner an application for such limited license or licenses in a  
137 form and manner prescribed by the Commissioner. The application shall provide:

138 (A) The name, residence address, and other information required by the Commissioner  
139 of an employee or officer of the vendor that is designated by the applicant as the person  
140 responsible for the vendor's compliance with the requirements of this subsection;

141 (B) If the vendor derives more than 50 percent of its revenue from the sale of portable  
142 electronics and consumer goods insurance, the information required by subparagraph

143 (A) of this paragraph for all officers, directors, and shareholders of record having  
144 beneficial ownership of 10 percent or more of any class of securities registered under  
145 the federal securities law; and

146 (C) The location of the applicant's home office.

147 (12) The employees and authorized representatives of vendors may sell or offer portable  
148 electronics and consumer goods insurance to customers and shall not be subject to  
149 licensure as an insurance producer under this Code section, provided that the supervising  
150 entity supervises the administration of a training program in which employees and  
151 authorized representatives of a vendor shall be trained and receive basic insurance  
152 instruction about the kind of coverage authorized in this subsection and offered for  
153 purchase by prospective purchasers. The training required by this subsection may be

154 provided in electronic form. However, if provided in electronic form, the supervising  
155 entity shall implement a supplemental education program regarding the portable  
156 electronics and consumer goods insurance that is conducted and overseen by an instructor  
157 licensed under this article.

158 (13) No preclicensing examination shall be required for issuance of such license.

159 (14) If a vendor or its employee or authorized representative violates any provision of  
160 this subsection, the Commissioner may impose any of the following penalties:

161 (A) After notice and hearing, fines not to exceed \$500.00 per violation or \$5,000.00  
162 in the aggregate for such conduct;

163 (B) After notice and hearing, other penalties that the Commissioner deems necessary  
164 and reasonable to carry out the purpose of this article, including:

165 (i) Suspending the privilege of transacting portable electronics and consumer goods  
166 insurance pursuant to this subsection at specific business locations where violations  
167 have occurred; and

168 (ii) Suspending or revoking the ability of individual employees or authorized  
169 representatives to act under the license;

170 (15) Notwithstanding any other provision of law:

171 (A) An insurer may terminate or otherwise change the terms and conditions of a policy  
172 of portable electronics and consumer goods insurance only upon providing the  
173 policyholder and enrolled customers with at least 60 days' notice;

174 (B) If the insurer changes the terms and conditions, then such insurer shall provide the  
175 vendor with a revised policy or endorsement and each enrolled customer with a revised  
176 certificate, endorsement, updated brochure, or other evidence indicating a change in the  
177 terms and conditions has occurred and a summary of such changes;

178 (C) Notwithstanding subparagraph (A) of this paragraph, an insurer may terminate an  
179 enrolled customer's enrollment under a portable electronics and consumer goods

180 insurance policy upon 15 days' notice for discovery of fraud or material  
181 misrepresentation in obtaining coverage or in the presentation of a claim;

182 (D) Notwithstanding subparagraph (A) of this paragraph, an insurer may immediately  
183 terminate an enrolled customer's enrollment under a portable electronics and consumer  
184 goods insurance policy:

185 (i) For nonpayment of premium;

186 (ii) If the enrolled customer ceases to have an active service with the vendor of  
187 portable electronics and consumer goods; or

188 (iii) If the enrolled customer exhausts the aggregate limit of liability, if any, under the  
189 terms of the portable electronics and consumer goods insurance policy and the insurer  
190 sends notice of termination to the enrolled customer within 30 calendar days after  
191 exhaustion of the limit. However, if notice is not timely sent, enrollment shall  
192 continue notwithstanding the aggregate limit of liability until the insurer sends notice  
193 of termination to the enrolled customer; and

194 (E) When a portable electronics and consumer goods insurance policy is terminated by  
195 a policyholder, the vendor shall mail or deliver written notice to each enrolled customer  
196 advising the enrolled customer of the termination of the policy and the effective date  
197 of termination. The written notice shall be mailed or delivered to the enrolled customer  
198 at least 30 days prior to the termination.

199 (16) Whenever notice or correspondence with respect to a policy of portable electronics  
200 and consumer goods insurance is required pursuant to this subsection or is otherwise  
201 required by law, it shall be in writing and sent within the notice period, if any, specified  
202 within the statute or regulation requiring the notice or correspondence. Notwithstanding  
203 any other provision of law, notices and correspondence may be sent either by mail or by  
204 electronic means as set forth in this paragraph. If the notice or correspondence is mailed,  
205 it shall be sent to the vendor of portable electronics and consumer goods at the vendor's  
206 mailing address specified for such purpose and to its affected enrolled customers' last

207 known mailing addresses on file with the insurer. The insurer or vendor of portable  
208 electronics and consumer goods, as the case may be, shall maintain proof of mailing in  
209 a form authorized or accepted by the United States Postal Service or other commercial  
210 mail delivery service. If the notice or correspondence is sent by electronic means, it shall  
211 be sent to the vendor of portable electronics and consumer goods at the vendor's email  
212 address specified for such purpose and to its affected enrolled customers' last known  
213 email address as provided by each enrolled customer to the insurer or vendor of portable  
214 electronics and consumer goods, as the case may be. For purposes of this paragraph, an  
215 enrolled customer's provision of an email address to the insurer or vendor of portable  
216 electronics and consumer goods, as the case may be, shall be deemed as consent to  
217 receive notices and correspondence by electronic means. The insurer or vendor of  
218 portable electronics and consumer goods, as the case may be, shall maintain proof that  
219 the notice or correspondence was sent.

220 (17) Notice or correspondence required by this subsection or otherwise required by law  
221 may be sent on behalf of an insurer or vendor, as the case may be, by the supervising  
222 entity appointed by the insurer."

223

### SECTION 3.

224 All laws and parts of laws in conflict with this Act are repealed.